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2 JUL 1964

**MEMORANDUM FOR: Director of Personnel**

**SUBJECT: Proposed Regulations for Administration of  
the Central Intelligence Agency Retirement  
System (H. R. 8427)**

1. In keeping with the principles and considerations outlined in the draft memorandum of 25 June 1964 and the meeting of 29 June 1964 with your office pertaining thereto, the following considerations are set forth as guidelines for the redrafting of the proposed regulation for administration of the Central Intelligence Agency Retirement System as provided in H. R. 8427:

a. The regulations might assign all responsibility under the act to the Director of Personnel and to the Chief, Medical Staff, and the Director of Finance where indicated. To define the Director's authority as set forth in the act would require the detailing of existing Agency procedures for the implementation of the twenty or so authorities enumerated therein.

b. A Retirement Board should be established to assist and advise the Director of Personnel in fulfilling the responsibilities under the act and, if appropriate, a board shall be established to assist the Director of Finance and advise him in matters pertaining to the retirement fund.

c. An appeal procedure separate from the Retirement Board will be defined and each aggrieved individual, whether a participant or a person displeased because of nonselection for coverage under the act, shall be required to take an appeal and cause the matter at issue to be reviewed anew by some other entity and certified with recommendations to the Director for determination.

d. The regulations shall remain unclassified so they may be used in anticipated congressional review

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and reports concerning future amendments to the act, and in possible defense of court actions.

e. The regulations should be marked by brevity, clarity of impression, avoidance of technical Agency terms or procedures where possible, and by coverage of only those matters set forth in the act or required by the act, as distinguished from material or details which might be characterized as "educational" for Agency personnel. Such material can be published readily in other ways. Insofar as possible the regulations should follow the order established by the act.

2. The following suggestions and comments are offered in keeping with the foregoing recommendations and are keyed to the page and paragraph numbers set forth in the draft proposed regulation:

Page 1

a. (1) and (2) The terms "career," "career-provisional," and "reserve appointment," and the phrase "Certain other career-type employees" require definition in context to be meaningful. The latter term, if defined, borders on the need for security classification. However, since all four are included in the term "officers and employees," the term used in H. R. 8427, the section would be simplified by use of the statutory term. Recommend consideration of rewording to read "Officers and employees are normally covered under the Civil Service Retirement System upon employment by the Agency. Those who qualify upon completion of three years of service for coverage under the CIA Retirement and Disability System will be so designated upon approval of the Director of Personnel." Recommend that the responsibility for approval or designation of participants be placed in the Director of Personnel.

b. (1) Insert the words "Agency officers and" before the word "employees." See section 203, H. R. 8427.

b. (2) Recommend rewording to state in essence, "Eligible employees will be designated as early as possible." It is preferable not to state reasons, particularly where outside review is involved.

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b. (3) Recommend substitution of the word "redetermination" for the word "reaffirmation."

b. (4) The first sentence of this section relates to appeals from determinations regarding eligibility to participate in the system. Paragraph f. (6) (b), page 14, relates to appeals regarding determination of disability. Paragraph j., pages 23, 24, and 25, relating to discontinued service retirement, makes no provision for appeal. It is recommended consideration be given to specific appeal procedure to be used for review of any determination made under the act which might be found objectionable by the person affected. Consideration is recommended to require an aggrieved individual to refer his complaint to a point established under the regulations for review and certification to the Director of Central Intelligence for determination.

Recommend deletion of the second sentence of b. (4). Section 201(c) of the act is intended to protect the security of Agency activities and to implement further the responsibility of the Director for protecting intelligence sources and methods from unauthorized disclosure by limiting court review. It does not establish that appeals from "Agency" action alone are to be referred to the Director, or that determinations made by the Director in accordance with the provisions of the act might not be the subject of a separate appeal procedure to the Director under these regulations.

c. (1) Recommend deletion and substitution of the following: "The CIA Retirement and Disability System shall be administered in accordance with the provisions of these regulations."

c. (2) Recommend deletion of "the development of policies governing" and "and to review and recommend action on all proposed retirements under the system."

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c. (2) continued. Recommend deletion of the words "designated by" in line 1. Delete the remainder of the paragraph beginning with "The Deputy Director for Intelligence. . .," and substitute "and shall be composed of a senior officer and an alternate recommended from each of the four major Agency Directorates, from the General Counsel,

the Office of Security, the Medical Staff, and such other technical or advisory staffs as may from time to time be determined to be necessary or advisable by the Chairman. "

c. (3) Recommend deletion and substitution of the following: "The CIA Retirement and Disability Fund is hereby established and will be administered in accordance with the provisions of these regulations. "

d. (1) Recommend deletion of the phrase "as established by the National Security Act of 1947, as amended, effective 18 September 1947. " See section III(1).

d. (2) Recommend deletion of the phrase "or the Deputy Director of Central Intelligence. " Although suggested for consideration to the House Armed Services Committee, the term "Deputy Director" was not included in the definition established in the bill. See section III(2).

Insert the following definition after d. (2): "'Act' means the Central Intelligence Agency Retirement Act of 1964 for Certain Employees. "

d. (3) Delete the words "as established by the Central Intelligence Agency Retirement Act of 1964 for Certain Employees. "

Insert the following definition after d. (3): "'Fund' means the Central Intelligence Agency Retirement and Disability Fund. "

d. (4) Insert the words "officer or" before the word "employee. " Recommend deletion of the word "formally, " and the phrases "in accordance with the provisions of this regulation" and "CIA Retirement and Disability" as surplus to the definition.

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d. (6) The need for defining the term "Agency service" is not apparent.

d. (7) The definition provided for "Qualifying career field" does not provide a definition. The statutory terms set forth therein were deliberately couched to allow flexibility.

d. (8) (a) This subsection does not appear to relate itself to the terms "(i) in support of Agency activities abroad hazardous to

life or health, or (ii) so specialized because of security requirements as to be clearly distinguishable from normal government employment."

d. (8) (b) Although clearly related to the statutory criteria established as section 203 of the bill, this subsection provides no guideline as to what nonofficial cover would be "significantly distinguishable from normal government employment." It is suggested that non-official cover standing alone might be sufficient for qualifying service. Reference to nonofficial cover, however, raises the question of classification of these regulations.

d. (8) (c) Question is raised as to the need for qualifying this subsection by use of the term "involuntarily." It appears to be an unnecessary limitation on Agency authority provided by the bill.

d. (9) Recommend definition of the term in these regulations rather than making reference to a classified Agency regulation.

d.(10) Recommend deletion of the words "record of" and substitution of the word, "past" on page 4, and deletion of the word "intentions" and substitution of the word "plans" on page 5.

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d. (11) Recommend deletion of the word "this" and substitution of the word "the."

d. (15) The term "lump-sum payment" could also mean payment of combined installments of section 234(d) found at pages 16 and 17 of the act. Subsection (c) of d. (15) could also be a beneficiary.

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e. As discussed, this section needs further study.

e. (1) Recommend deletion of the word "presumptive."

e. (1) (a) Recommend definition of the term "Career Employee status" at section d above rather than cross reference to a classified Agency regulation.

e. (1) (c) The question is presented concerning any mention whatever of Heads of Career Services in these regulations. It is suggested this is an appropriate function for the Retirement Board.

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e. (2) Recommend deletion of the words "and Reaffirmation."

e. (3) Recommend deletion of the phrase "CIA Retirement and Disability . . . of 1964 for Certain Employees" from last line of page 6. Word "Act" remains in.

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e. (4) This paragraph appears to place responsibilities on the heads of career services which might appropriately be placed in the Retirement Board. Consideration should be given to placing each of these responsibilities, if determined necessary for these regulations, in the Retirement Board and, insofar as possible, to leave these details out of the proposed regulations.

e. (4) (a) It is suggested that consideration be given to deletion of the words "The Director of Personnel, in collaboration with the Heads of Career Services," and substitute the term "the Retirement Board."

e. (4) (b) The intent of this section is not clear.

e. (4) (c) It is suggested that consideration be given to placing this responsibility in the Retirement Board, i. e., "The Retirement Board shall cause a review of the record of each employee . . .," or if desired "The Chief, Personnel Operations Division" or appropriate title.

NOTE: Question is raised concerning the procedures set forth at page 7, paragraph e. (4), as to the application of this paragraph by employees who desire to participate in the program or the rejection of a designation to be under the system by those employees who do not desire to participate.

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e. (4) (d) Possibly this is an unnecessary step in light of the above.

e. (4) (e) This item needs further consideration. It does not appear mandatory that we spell out in these regulations when a person shall designate in writing his willingness to serve anywhere at any time.

e. (4) (f) See e. (4) (e) above.

e. (4) (g) Possibly this would be an appropriate responsibility for "Chief, Personnel Operations."

e. (4) (h) See foregoing comments this paragraph. This section, as has been discussed, merits additional refinement.

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f. (1) Recommend deletion of the phrase "by order of the Director of Central Intelligence" and substitute therefor "upon order by the Agency." It is recommended that consideration be given to inclusion at this point of the findings necessary to such an order, i. e., five years' service and disability.

f. (3) (a) Recommend deletion of the third and fourth sentences as not germane to the retirement application: "Also, he must inform his immediate supervisor that he has applied for disability retirement and advise him of the date of his application. His supervisor shall be responsible for notifying the Operating Official concerned and the Head of the participant's Career Service."

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f. (3) (b) Recommend for consideration deletion of this section and substitution therefor somewhat as follows: "Whenever an individual fails or is unable to make application on his own behalf the Agency shall initiate . . . ." Question is raised also whether the Agency should bind itself by regulations to release the medical report or whatever.

f. (4) Delete "head of his Career Service" and substitute therefor "Agency." Recommend deletion of the sentence "A copy of the supervisor's statement shall be made available to the participant at the latter's request."

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f. (5) (a) (2) Recommend deletion of the last sentence: "The Director of Personnel shall review the nominations of the Chief, Medical Staff and forward them with his recommendation to the Deputy Director for Support for approval."

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f. (5) (b) Question of medical examination and evaluation is worthy of careful consideration. Should it be only in terms of "his position", line 1, page 13?

**Page 13**

f. (6) (a) (1) Recommend insertion of the words "and efficient" before the word "service", in the last line of the section.

f. (6) (a) (2) Recommend insertion of the words "for useful and efficient service" after the word "incapacitated" in the last line of page 13.

**Page 14**

f. (6) (b) Question of appeals is discussed above. Reference to appeal procedure at this point in the regulations might be considered.

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f. (7) Does it make a real difference what the individual is doing on the date determination is made?

**Page 17**

f. (8) (a) Recommend deletion of the first full sentence top of page 17: "The report of the Board of Medical Examiners shall be made available to the annuitant upon written request to the Director of Personnel."

f. (8) (b) Delete the words "shall be" and substitute "may be" before the words "suspended until continuance of".

f. (9) Question whether travel expenses have to be paid from the fund. As to the present wording, once travel approved by the Medical Office no reason why the expenses themselves need be so approved.

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g. (6) Do not understand the statement!

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h. (1) (a) and (b) Delete the references to Head of Career Service and actions taken by him.

**Page 23**

j. Delete the parenthetical phrase: "(Retirement at the Discretion of the Director)".

j. (1) Delete the first sentence. Add the words "in grade GS-14" after the word "participants" at the beginning of the new first sentence.

j. (2) Recommend that the sentence be reworded as in j. (1) above to delete reference to the "Director".

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j. (3) Recommend deletion of reference to "Head of his Career Service" and reword accordingly. This whole section is worthy of close review. Possible mention of appeal procedure again at this point might be worthwhile.

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j. (3) (c), (d) and (e) Recommend deletion of reference to determination of the Director.

**Page 27**

1. (1) (d) (1) Substitute the words "under the Act" for the words "by law".

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1. (1) (d) (3) Recommend deletion of the words "to the first person or persons listed below who are alive on the effective date of entitlement to the payment;" and substitute therefor "in the following order of precedence."

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1. (1) (d) (3) (e) Recommend deletion of the phrase "the Director of Central Intelligence, in his judgment," and substitution of the words "the Agency."

1. (2) (b) Delete the words "made preferably in a lump-sum".

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1. (2) (c) Is there any limit to the additional voluntary contributions?

1. (2) (d) Option 3. Delete "to the Director of Central Intelligence".

Page 30

1. (2) (e) Insert the words "from the system" before the words "compounded annually".

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m. (2) (b) (2) Consideration might be given to insertion of the phrase "by virtue of becoming a participant in the system" at the end of the fourth line after the words "consent to the transfer of such funds".

Page 39

p. (3) Delete the sentence, "That agency shall notify the Central Intelligence Agency of the annuitant's reemployment." Delete the words, "In either case, the Central Intelligence Agency" and substitute the words "The Agency".

p. (4) Delete the last word "Act" and substitute "regulation".



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1 - OGC/LC Subject - Legislation File

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